

Bidding Procedures Hearing Date And Time: September 27, 2007 at 10:00 a.m.
Bidding Procedures Objection Deadline: September 25, 2007 at 12:00 p.m.¹

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:	:	Chapter 11
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DELPHI CORPORATION, <i>et al.</i> ,	:	Case No. 05-44481 (RDD)
	:	(Jointly Administered)
Debtors.	:	
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LIMITED OBJECTION OF INTERNATIONAL UNION, UAW TO
EXPEDITED MOTION FOR ORDERS (A) (I) APPROVING BIDDING
PROCEDURES, (II) GRANTING CERTAIN BID PROTECTIONS,
(III) APPROVING FORM AND MANNER OF SALE NOTICES, AND
(IV) SETTING SALE HEARING DATE AND (B) AUTHORIZING
AND APPROVING SALE OF CERTAIN EQUIPMENT AND OTHER
ASSETS PRIMARILY USED IN DEBTORS' SAGINAW
CHASSIS BUSINESS FREE AND CLEAR OF LIENS

¹ The Debtors have agreed to extend the UAW's deadline to object to the bidding procedures until September 25, 2007 at 12:00 p.m.

The International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (“UAW” or the “Union”) states, by and through its undersigned counsel, the following as its Limited Objection to the Debtors’ Expedited Motion dated September 17, 2007 for Orders Approving (A) (I) Bidding Procedures, (II) Granting Certain Bid Protections, (III) Approving Form and Manner of Sale Notices, (IV) Setting Sale Hearing Date, and (B) Authorizing and Approving Sale by Delphi Automotive Systems LLC and Delphi Technologies, Inc. (“Delphi”) of Certain Equipment and Other Assets Primarily Used in Debtors’ Saginaw Chassis Business Free and Clear of Liens (“Procedures Motion”):

1. The UAW is the exclusive collective bargaining representative of approximately 700 employees employed at the Debtors’ Saginaw, Michigan facility. The UAW and Debtors are parties to collective bargaining agreements regarding the terms and conditions of employment at the Saginaw facility (the “Saginaw CBAs”). The Saginaw CBAs are currently in effect.

2. On September 17, 2007, the Debtors signed the Asset Purchase Agreement (“APA”) with TRW Integrated Chassis Systems LLC (the “Purchaser”) for the sale of the Acquired Assets as identified in the APA, which includes the Saginaw facility.

LIMITED OBJECTION

3. The APA generally provides for assumption of the Saginaw CBAs. Section 4.2 of the APA provides that the Purchaser will assume the enumerated CBAs except to the extent the Purchaser negotiates a Purchaser-UAW collective bargaining agreement prior to closing. *See* APA, § 4.2.E. The APA specifies that, in the event that no such CBA is negotiated as of the closing, and the Purchaser thereby assumes the CBAs, “then the following shall apply in respect of the employee benefit provisions of such agreement.” The APA, in

sections 4.2.E(i)-(vii) sets forth details regarding the implementation of various employee benefits, including pension, health and welfare benefits for active employees, retiree medical benefits, the 401(k) plan, and the supplemental unemployment benefit plan. In addition, section 4.2(H) of the APA sets forth detailed provisions with respect to the handling of pending grievances. These detailed provisions are intended to effect an assumption of the CBAs and to that end require further review by UAW.²

4. Under the Procedures Motion, the Debtors intend that the APA serve as the form of the purchase agreement for prospective bidders to become Qualified Bidders. *See* Procedures Motion ¶ 30(g) (Potential Bidders must submit, among other things, a marked-up APA). Because the details set forth in sections 4.2.E(i)-(vii) and 4.2.H are highly detailed and involve a complex benefits structure, prospective bidders should be put on notice that UAW may not agree that the provisions implement an assumption of the CBAs. UAW therefore requests that the Delphi Automotive Systems LLC and Delphi Technologies, Inc. Saginaw Chassis Asset Bidding Procedures (“Bidding Procedures”) state that as of the date of approval of the Bidding Procedures, UAW has not confirmed that sections 4.2.E(i)-(vii) and 4.2(H) of the APA implement assumption of the CBAs provided under section 4.2 of the APA.

5. In addition, under the Procedures Motion, the sale objection deadline would be October 18, 2007. However, if other bidders qualify and the Debtors conduct an auction, the schedule provides for the auction to take place on October 23, 2007. The UAW

² *See, e.g., American Flint Glass Workers v. Anchor Resolution Corp.*, 197 F.3d 76, 80-82 (3d Cir. 1999) (where a purchaser did not agree to assume a collective bargaining subject to all its burdens and obligations, no true assumption occurred) (holding that debtor violated Section 1113(f) when it bound “itself contractually to obtain a change in the legal relationship created by a CBA as a condition precedent to closing a sale of substantially all of the debtor’s assets”); *In re Stein Henry Co.*, 1992 WL 122902 *2 (Bankr. E.D. Pa. 1992).

thereby requests that the Union be given sufficient notice of any competing bids that qualify
for auction to enable it to review such bids prior to the time objections are due.

Dated: September 25, 2007

Respectfully submitted,

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